

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: February 28, 2007

Bill Number: S.B. 240

Author: Short

Committee Requesting Impact: Senate Finance Committee

Bill Summary

A bill to amend Section 12-6-1140, as amended, Code of Laws of South Carolina, 1976, relating to deductions allowed from South Carolina taxable income of an individual for purposes of the South Carolina Income Tax Act, so as to allow a maximum three thousand dollars a year deduction for volunteer state constables designated by the State Law Enforcement Division as advanced state constables and to provide the eligibility requirements for this deduction.

REVENUE IMPACT ^{1/}

This bill is expected to reduce General Fund individual income tax revenue by an estimated \$243,600 in FY2007-08.

Explanation

This bill would amend Section 12-6-1140(10) by allowing an individual serving as a "volunteer state constable" a \$3,000 individual income tax deduction. Volunteer state constables are appointed by the Governor and serve without compensation to assist in the detection of crime and the enforcement of any criminal laws of this State. All constables appointed are required to furnish evidence that they are knowledgeable of the duties and responsibilities of a law enforcement officer, and are required to take training as may be prescribed by the Chief of the State Law Enforcement Division (SLED). This bill would waive the requirement of satisfying a minimum number of points pursuant to Section 23-9-190 to qualify for the tax deduction. According to SLED, there are currently 1,400 volunteer state constables. Multiplying 1,400 volunteer state constables by a \$3,000 income tax deduction and applying an average tax rate of 5.8 percent would reduce General Fund individual income tax revenue by an estimated \$243,600 in FY2007-08. This individual income tax deduction would apply to tax years beginning with 2007.

/s/ WILLIAM C. GILLESPIE, PH.D.

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^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.